

Lawrence Kaggwa, Ph.D.
Howard University
525 Bryant St. NW
Washington, DC 20059

June 21, 2012

The Honorable Julius Genachowski
Chairman
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

Re: FCC-2012-0164

Dear Chairman Genachowski:

As longtime advocate of the rights and interests of minority populations, I am writing to express my concern over the Notice of Proposed Rulemaking related to wireline third-party billing. Practices such as third-party billing are essential to those within the immigrant and Diaspora communities. Each year, it enables these populations to place more than one million calls between the U.S. and their countries of origin. Ending third-party billing will result in higher costs for those individuals who rely on it to contact their loved ones abroad.”

Specifically, the FCC’s proposed “opt-in” requirement fails to make a distinction for wireline carriers, who inherently provide opt-in through the affirmative process of placing a collect or long distance call. Implementing an additional consent process is unworkable for the wireline industry and may result in increased costs for businesses and consumers in already difficult economic times.

The current opt-in requirement in the Notice of Proposed Rulemaking does not appropriately consider the consequences of restricting this service. For example, when a collect call is made, the recipient already “opts-in” when he or she approves the charges. However, under the proposed rule, a consumer would face an added layer of “opting-in” ahead of time. In the event a collect call is made from a friend or loved one, which could very well be urgent in nature, he or she would be precluded from receiving the call unless the recipient has previously opted in.

Black Americans, particularly those with friends or loved ones living abroad, benefit from third-party billing services, and an opt-in requirement will create unintended hardships. In fact, each year, third-party billing enables more than one million calls between the U.S. and locations throughout Africa and the Caribbean. Making access to long-distance and collect calling more difficult will impede the ability of these individuals to reach their loved ones in other countries. These individuals will be forced to find other means to communicate, which are often more costly.

In addition, black-owned small businesses would be adversely affected. Black-owned businesses grew by 60 percent between 2002 and 2007. This is more than three times the national growth

rate. With the overwhelming majority of these 1.9 million businesses having less than 20 employees, many rely on third-party billing to streamline bookkeeping and save costs. In a struggling economy, doing away with services that lighten the overhead costs of a business would needlessly drain resources, harm customer service, prevent hiring, and in turn depress growth.

While I applaud your efforts to protect consumers from cramming, our country cannot afford new policies that would have unintended consequences for hardworking black American consumers. I ask that the Commission consider rules that preserve the benefits of third-party billing, enable a more effective partnership with the industry and bear in mind the interests of our consumer and small business communities.

Sincerely,

Lawrence Kaggwa, Ph.D., Professor

Howard University